

AFTER RECORDING MAIL TO:

COMPANY NAME: RUTH RUHL, P.C.
CONTACT NAME: Recording Department
ADDRESS: 12700 Park Central Drive, Suite 850
CITY/STATE: Dallas, Texas 75251

LOAN #: 1425371273

DOCUMENT TITLE: Loan Modification Agreement

REFERENCE NUMBERS OF RELATED DOCUMENTS:

Book/Liber: N/A Page: N/A Instrument No.: 200708290103

BETWEEN

GRANTOR(S):

1. Diana Ainsworth
2. Kevin R. Ainsworth
- 3.
- 4.

AND

GRANTEE: Kinecta Federal Credit Union

ABBREVIATED LEGAL DESCRIPTION AS FOLLOWS: (i.e. lot/block/plat or section/township/range/quarter/quarter)

Section 30, Township 34, Range 5, Ptn NWNW (aka Lots, Short Plat No. 99-0024), Skagit County, WA

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER(S): 340530-2-001-0004

NOTE: The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

After Recording Return To:
RUTH RUHL, P.C.
Attn: Recording Department
12700 Park Central Drive, Suite 850
Dallas, Texas 75251

Prepared By:
RUTH RUHL, P.C. and
Co-Counsel, PC Law Associates, LLC, Kristin
Marsalese, Esquire, Bar ID 54338

(Space Above This Line For Recording Data)

Loan Number: 1425371273

LOAN WORKOUT PLAN AND MODIFICATION AGREEMENT
(Providing for Initial Temporary Fixed Rate with Conversion to Adjustable Interest Rate Note Terms)

Loan Workout Document Prepared Date: March 15th, 2022
Borrower ("I")¹: Kevin R. Ainsworth and Diana Ainsworth, husband and wife
Lender ("Lender"): Kinecta Federal Credit Union
Date of first lien Security Instrument ("Mortgage") and Note ("Note"): August 23rd, 2007
Date and recording information of first lien Mortgage dated August 23rd, 2007 and recorded on August 29th, 2007, in Book/Liber N/A, Page N/A, Instrument No. 200708290103, Official Records of Skagit County, Washington, and Note ("Note"), bearing the same date as, and secured by, the Mortgage, which covers the real and personal property described in said Mortgage and defined therein as the Property, identified as:
Property Address ("Property"): 24341 Elegant Heights Road, Mount Vernon, Washington 98273

The real property described being set forth as follows:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.
SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.
Assessors Parcel No.: 340530-2-001-0004

¹ If there is more than one Borrower or Mortgagor executing this document, each is referred to as "I". For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

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If I successfully follow the Loan Workout Plan (the "Plan") in Section 2 and my representations in Section 1 continue to be true in all material respects, then the provisions of Section 3 of this Loan Workout Plan and Modification Agreement ("Agreement") will, as set forth in Section 3, amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage. The Mortgage and Note together, as may previously have been amended, are referred to as the "Loan Documents". Capitalized terms used in this Agreement have the meaning given to them in the Loan Documents.

1. **My Representations.** I represent to Lender and agree:
 - A. I am experiencing a financial hardship, and as a result, am in default or imminent default under the Loan Documents;
 - B. The Property is neither in a state of disrepair, nor condemned;
 - C. There has been no change in the ownership of the Property since I signed the Loan Documents;
 - D. I am not a party to any pending bankruptcy proceeding or any litigation involving the Loan Documents, except to the extent I may be a defendant in a foreclosure action;
 - E. I am providing documentation for all income that I earn; and
 - F. All documents and information I provide pursuant to this Agreement are true and correct.

2. **The Loan Workout Plan.** By no later than March 1st, 2022, April 1st, 2022, and on May 1st, 2022, I will pay the Lender U.S. \$4,581.86, which includes payment for Escrow Items, including real estate taxes, insurance premiums and other fees, if any, of U.S. \$1,223.60 ("Estimated Monthly Escrow Payment").

During the period (the "Trial Period") commencing on the date of this Agreement and ending on the earlier of: (i) the Modification Effective Date (as defined in Section 3) or (ii) termination of this Agreement, I understand and acknowledge that:

- A. TIME IS OF THE ESSENCE under this Agreement;
- B. The Lender will suspend any scheduled foreclosure sale, provided I continue to meet the obligations under this Agreement, but any pending foreclosure action will not be dismissed and may be immediately resumed from the point at which it was suspended if this Agreement terminates, and no new notice of default, notice of intent to accelerate, notice of acceleration, or similar notice will be necessary to continue the foreclosure action, all rights to such notices being hereby waived;
- C. When the Lender accepts and posts a payment during the Trial Period it will be without prejudice to, and will not be deemed a waiver of, the acceleration of the loan or foreclosure action and related activities and shall not constitute a cure of my default under the Loan Documents unless such payments are sufficient to completely cure my entire default under the Loan Documents;
- D. If, prior to the Modification Effective Date set forth in Section 3, (i) the Lender does not provide me with a signed copy of the Agreement; or (ii) I do not make the three Trial Period payments required under the Plan in this Section 2 in a timely manner; or (iii) the Lender determines that my representations in Section 1 are no longer true and correct, the Loan Documents will not be modified and this Agreement will terminate. In this event, the Lender will have all of the rights and remedies provided by the Loan Documents, and any payment I make hereunder shall be applied to amounts I owe under the Loan Documents and shall not be refunded to me; and
- E. I understand that the Plan described in this Section 2 is not a modification of the Loan Documents and that the Loan Documents will not be modified unless and until (i) I meet all of the conditions required for modification under Section 3 and (ii) the Modification Effective Date (as defined in Section 3) has occurred. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Agreement.

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3. **The Modification.** If I comply with the Plan in Section 2 and my representations in Section 1 continue to be true in all material respects, the Loan Documents will automatically become modified on June 1st, 2022 (the "Modification Effective Date") and all unpaid late charges will be waived. The Lender agrees to cease any foreclosure activities so long as I comply with the terms of the Loan Documents, as modified by this Agreement. The Loan Documents will be modified and the first modified payment will be due on the date set forth in this Section 3:
- A. The new Maturity Date will be: September 1st, 2047.
 - B. The new interest rate will be 2.875%, and will be subject to change as outlined in Section D below.
 - C. The modified Principal balance of my Note will include all amounts and arrearages that will be past due (excluding unpaid late charges) less any amounts held pursuant to Section 2.C. The new Principal balance of my Note will be \$729,339.51 (the "New Principal Balance").
 - D. The interest rate will begin to accrue as of February 1st, 2022 and the first new monthly payment on the Interest Bearing Principal Balance will be due on March 1st, 2022. My payment schedule for the modified loan is as follows:
 - a. My monthly principal and interest payment will be in the amount of \$3,358.26 before the first Change Date defined below. The Note Holder will notify me prior to the date of change in monthly payment.
 - b. Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with the calculations below.
 - c. The initial fixed interest rate that I will pay will change to an adjustable interest rate on the first day of February, 2025 and the adjustable interest rate that I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each subsequent date on which my adjustable interest rate could change, is called the "Change Date".
 - d. Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index". If the Index is no longer available, the Note Holder will choose a new index that is based on comparable information. The Note Holder will give me notice of this choice.
 - e. Before each Change Date, the Note Holder will calculate my new interest rate by adding Two and 750/1000ths percentage points (2.750%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 3.D.f below, this rounded amount will be the new interest rate until the next Change Date. The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.
 - f. The interest rate that I am required to pay at the First Change Date will not be greater than 4.875% or less than 2.875%. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 7.875%.
 - g. My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.
 - h. Before the effective date of any change in my interest rate and/or monthly payment, the Note Holder will deliver or mail to me a notice of such change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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The above terms in this Section 3.D. shall supersede any provisions to the contrary in the Loan Documents, including but not limited to provisions for an adjustable or step Interest Rate.

- E. I agree to pay in full (i) the Deferred Principal Balance, if any; and (ii) any other amounts still owed under the Loan Documents, by the earliest of the date I sell or transfer an interest in the Property, subject to Section 4.H. below, the date I pay the entire Interest Bearing Principal Balance, or the new Maturity Date.
- F. I will be in default if I do not (1) pay the full amount of a monthly payment on the date it is due, or (2) comply with the terms of the Loan Documents, as modified by this Agreement. If a default rate of interest is permitted under the current Loan Documents, then in the event of default, the interest that will be due on the Interest Bearing Principal Balance will be the rate set forth in Section 3.D. and there will be no interest payable on the Deferred Principal Balance, if any.
- G. If I make a partial prepayment of principal, the Lender may apply that partial prepayment first to any remaining Deferred Principal Balance before applying such partial prepayment to other amounts due under this Agreement or the Loan Documents.
- H. If I am currently in foreclosure at the start of this modification trial period, I agree to remit the payments by certified funds during the course of the trial modification period and if I do not, I will be considered to be in default of my trial period agreement. Certified funds will not be required after the successful completion of the trial period, unless otherwise required by Credit Union policy.

4. **Additional Agreements.** I agree to the following:

- A. That all persons who signed the Loan Documents have signed this Agreement.
- B. That this Agreement shall supersede the terms of any modification, forbearance or workout plan, if any, that I previously entered into with Lender.
- C. To comply, except to the extent that they are modified by this Agreement, with all covenants, agreements, and requirements of the Loan Documents including my agreement to make all payments of taxes, insurance premiums, assessments, Escrow Items, impounds, and all other payments, the amount of which may change periodically over the term of my loan.
- D. That this Agreement constitutes notice that the Lender's waiver as to payment of Escrow Items, if any, has been revoked, and I have been advised of the amount needed to fully fund my Escrow Account.
- E. That any and all conversion option provisions in the Loan Documents are hereby revoked.
- F. That I have no right of set-off or counterclaim, or any defense to the obligations under the Loan Documents.
- G. That the Loan Documents are composed of duly valid, binding agreements, enforceable in accordance with their terms and are hereby reaffirmed.
- H. That all terms and provisions of the Loan Documents, except as expressly modified by this Agreement, remain in full force and effect; nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents; and that except as otherwise specifically provided in, and as expressly modified by, this Agreement, the Lender and I will be bound by, and will comply with, all of the terms and provisions of the Loan Documents.
- I. That, as of the Modification Effective Date, notwithstanding any other provision of the Loan Documents, I agree as follows: If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Mortgage. However, Lender shall not exercise this option if federal law prohibits the exercise of such option as of the date of such sale or transfer. If Lender exercises this option, Lender shall give me notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which I must pay all sums secured by the Mortgage. If I fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Mortgage without further notice or demand on me.
- J. That, as of the Modification Effective Date; a buyer or transferee of the Property will not be permitted, under any circumstance, to assume the loan. In any event, this Agreement may not be assigned to, or assumed by, a buyer of the Property.

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3-18-22
Date

Diana Ainsworth (Seal)
Diana Ainsworth -Borrower

3-18-22
Date

Kevin R. Ainsworth (Seal)
Kevin R. Ainsworth -Borrower

Date

(Seal)
-Borrower

Date

(Seal)
-Borrower

BORROWER ACKNOWLEDGMENT

State of Washington §
 § ss.:
County of Stagit §

I certify that I know or have satisfactory evidence that Diana Ainsworth and Kevin R. Ainsworth

[name of person] is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

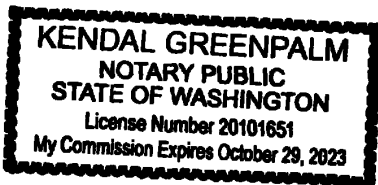
Dated: 3/18/2022

(Seal)

Kendal Greenpalm
(Signature)

Notary Public
(Title of Office)

Burlington
(Place of Residence of Notary Public)



Loan Number: 1425371273

Kinecta Federal Credit Union
-Lender

3/28/2022
-Date

By: 
Christopher Miranda
Its: Vice President


LENDER ACKNOWLEDGMENT

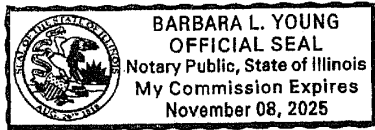
State of Illinois §
County of Lake § ss.:
§

On this 28th day of March, 2022, before me personally appeared Christopher Miranda to me known to be the (president, vice-president, secretary, treasurer, or other authorized officer or agent, as the case may be) of said entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument and that the seal affixed is the seal of said entity.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Seal)


(Signature)



Notary Public Barbara L. Young
(Title of Office) Administrative Assistant

McHenry, Illinois
(Place of Residence of Notary Public)

EXHIBIT "A"

LOT 3 OF SHORT PLAT NO. 99-0024 RECORDED OCTOBER 1, 2003
UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 20031C010080; BEING A
PORTION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THAT
PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION
30, TOWNSHIP 34 NORTH, RANGE 5 EAST, W.M., SKAGIT COUNTY.
WASHINGTON.
A.P.N.: 340530-2-001-0004

EXHIBIT "B"

Loan No.: 1425371273

SAME NAME ADDENDUM

THIS ADDENDUM is made this 15th day of March, 2022, and is incorporated into and shall be deemed to amend and supplement the Loan Modification Agreement of the same date, given by Diana Ainsworth (the "Borrower") which modifies Borrower's Note and Security Instrument to Kinecta Federal Credit Union

(the "Lender")

and covers the Property located at:

24341 Elegant Heights Road, Mount Vernon, Washington 98273
[Property Address]

In addition to the agreements made in the Loan Modification Agreement, Borrower and Lender further agree as follows:

1. Borrower is the same person named in the Note, the Security Instrument, and the Loan Modification Agreement.
2. Borrower is one and the same person as: Diane L. Ainsworth
3. The signature below is Borrower's true and exact signature for execution of the Loan Modification Agreement.
4. Borrower understands that this statement is given as a material inducement to cause Lender to make the Loan Modification Agreement to Borrower and that any false statement, misrepresentations or material omissions may result in civil and criminal penalties.

By signing below, Borrower accepts and agrees to the terms and covenants contained herein.

Kinecta Federal Credit Union _____ (Seal)
-Lender

 _____ (Seal)
Diana Ainsworth -Borrower

By:  _____

Printed Name: Christopher Miranda

Its: Vice President